



St. Lucie County Utilities District



RATE WORKSHOP

April 22, 2010

6 PM to 8 PM



St. Lucie County Utilities District

Rate Study Background

- Primary objective of the study was to develop a consolidated, uniform rate applicable to all customers, irrespective as to service area.
- Another key objective was to compute water rates to pay for water costs, and to have wastewater rates pay for wastewater costs, without subsidy.
- The SLCUD is established as an enterprise fund, where all costs must be borne by water and wastewater rates.
- The level of rates required is determined by customer base and by revenue requirements.
- Customer base is less than previously projected due to economy, including foreclosures.
- Revenue requirements are defined by revenue bond covenants and include: operating expenses, debt service, coverage, and R&R deposits.



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Rate Study Approach

- Fiscal Year 2010 budget was the basis for projecting cash flows at existing rates for study period through Fiscal Year 2013.
- Servicing of \$10 million note included in analysis.
- Recommended rate structure incorporates:
 - Fixed monthly customer charge per account.
 - Fixed monthly base facility charge per equivalent connection.
 - Variable inclining block water volume charges per 1,000 gallons to foster conservation.
 - Uniform wastewater volume charges per 1,000 gallons with cutoffs for residential customers.



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PROJECTED WATER SYSTEM CASH FLOWS @ EXISTING RATES

Description	Fiscal Year			
	2010	2011	2012	2013
<u>Operating Revenues:</u>				
Revenues from Water Charges	\$2,841,628	\$3,003,303	\$3,144,463	\$3,280,495
Other	39,783	39,783	39,783	39,783
Total Water System Operating Revenues	\$2,881,410	\$3,043,086	\$3,184,246	\$3,320,278
Total Operating Expenses	\$1,982,331	\$2,057,400	\$2,133,000	\$2,210,800
Net Operating Revenues	\$899,079	\$985,686	\$1,051,246	\$1,109,478
<u>Debt Service Requirement:</u>				
Total Annual Principal & Interest	\$704,323	\$704,093	\$706,825	\$706,825
Less: 2-Year Loan for Series 2009A Note	(188,101)	(187,580)	0	26,630
Plus: Debt Service Coverage	51,622	51,651	70,682	73,345
Total Annual Debt Service Requirement	\$567,844	\$568,165	\$777,507	\$806,800
Coverage Factor	158.3%	173.5%	135.2%	137.5%
Net Operating Revenues After D/S Requirement	\$331,235	\$417,521	\$273,739	\$302,678
R&R Funding @ 5% of Total Ann. Rev. Req'mts.	144,071	152,154	159,212	166,014
Net O/R After D/S and R&R Funding	\$187,164	\$265,366	\$114,527	\$136,664
<u>Overall Increases to Eliminate Deficits:</u>				
Cumulative	-6.6%	-8.8%	-3.6%	-4.2%
Annual	-6.6%	-2.4%	5.7%	-0.5%



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PROJECTED WASTEWATER SYSTEM CASH FLOWS @ EXISTING RATES

Description	Fiscal Year			
	2010	2011	2012	2013
<u>Operating Revenues:</u>				
Revenues from Wastewater Charges	\$1,581,204	\$1,618,181	\$1,658,623	\$1,704,840
Other	207,083	215,448	220,717	226,145
Total Wastewater System Operating Revenues	\$1,788,287	\$1,833,628	\$1,879,340	\$1,930,985
Total Operating Expenses	\$1,773,481	\$1,829,700	\$1,887,800	\$1,947,600
Net Operating Revenues	\$14,806	\$3,928	(\$8,460)	(\$16,615)
<u>Debt Service Requirement:</u>				
Total Annual Principal & Interest	\$586,646	\$584,791	\$589,021	\$589,021
Less: 2-Year Loan for Series 2009A Note	(171,144)	(170,670)	0	23,370
Plus: Debt Service Coverage	41,550	41,412	58,902	61,239
Total Annual Debt Service Requirement	\$457,052	\$455,532	\$647,924	\$673,631
Coverage Factor	3.2%	0.9%	-1.3%	-2.5%
Net Operating Revenues After D/S Req'mt.	(\$442,247)	(\$451,604)	(\$656,383)	(\$690,245)
R&R Funding @ 5% of Total Ann. Rev. Req'mts.	89,414	91,681	93,967	96,549
Net O/R After D/S and R&R Funding	(\$531,661)	(\$543,285)	(\$750,350)	(\$786,795)
<u>Overall Increases to Eliminate Deficits:</u>				
Cumulative	33.6%	33.6%	45.2%	46.2%
Annual	33.6%	0.0%	8.7%	0.6%



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Rate Study Results

- Adjust water rates to provide for projected revenue sufficiency for entire study period.
- Will provide some cushion for price elasticity, but must monitor.
- Add a fourth inclining block to provide more conservation incentive.
- Adjust wastewater rates to provide for projected revenue sufficiency through Fiscal Year 2011.
- Utility begins fully servicing the \$10 million note in FY 2012 without additional loan from the General Fund.
- Utility begins repayment of the General Fund loan in FY 2013.



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DISTRICT-WIDE **SINGLE FAMILY WATER SYSTEM** RATES

Description	Monthly Rates
<u>Base Facilities Charge per Account:</u>	
3/4"	\$19.49
1"	\$48.72
1-1/2"	\$97.44
2"	\$155.91
Monthly Billing Charge Per Account	\$2.40
<u>Rate Per 1,000 Gallons Billed in Block:</u>	
0 - 5,000 Gallons	\$3.37
5,001 - 10,000 Gallons	\$6.06
10,001 - 15,000 Gallons	\$8.08
Over 15,000 Gallons	\$9.43



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DISTRICT-WIDE **MULTI-FAMILY WATER SYSTEM** RATES

Description	Monthly Rates
Base Facility Charge per Dwelling	\$13.84
Monthly Billing Charge Per Account	\$2.40
<u>Rate Per 1,000 Gallons Billed in Block:</u>	
0 - 2,500 Gallons	\$3.37
2,501 - 5,000 Gallons	\$6.06
5,001 - 7,500 Gallons	\$8.08
Over 7,500 Gallons	\$9.43



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DISTRICT-WIDE **COMMERCIAL WATER SYSTEM** RATES

Description	Monthly Rates
Base Facility Charge (Per Unit)	\$29.23
Monthly Billing Charge (Per Account)	\$2.40
<u>Rate Per 1,000 Gallons Billed in Block:</u>	
0 - 5,000 Gallons	\$3.37
5,001 - 10,000 Gallons	\$6.06
10,001 - 15,000 Gallons	\$8.08
Over 15,000 Gallons	\$9.43



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DISTRICT-WIDE **SINGLE FAMILY SEWER SYSTEM** RATES

Description	Monthly Rates
<u>Base Facilities Charges for:</u>	
3/4"	\$23.23
1"	\$23.23
1-1/2"	\$23.23
2"	\$23.23
<u>Rate Per 1,000 Gallons Billed in Block:</u>	
0 - 7,500 Gallons	\$6.97
7,501 - 10,000 Gallons	\$6.97
Over 10,000 Gallons	\$0.00



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DISTRICT-WIDE **MULTI-FAMILY SEWER SYSTEM** RATES

Description	Monthly Rates
Base Facility Charge per Dwelling	\$20.91
<u>Total 1,000 Gallons Billed in Block:</u>	
0 - 5,400 Gallons	\$6.97
5,401 - 9,000 Gallons	\$6.97
Over 9,000 Gallons	\$0.00



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DISTRICT-WIDE **COMMERCIAL SEWER SYSTEM** RATES

Description	Monthly Rates
Base Facility Charge (Per Unit)	\$34.85
<u>Rate Per 1,000 Gallons Billed in Block:</u>	
0 - 7,500 Gallons	\$6.97
7,501 - 15,000 Gallons	\$6.97
Over 15,000 Gallons	\$6.97
Sewer Base Facility Charge (Flat Fee All Meter Sizes)	\$46.56



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COMPARISON OF SINGLE FAMILY TYPICAL MONTHLY BILLS

Service Area	Monthly Bill @ 5,000 Gallons		
	Water	Wastewater	Combined
<u>Lakewood Park/HEW:</u>			
Existing	\$41.54	\$39.38	\$80.92
Proposed	\$38.74	\$58.11	\$96.85
Absolute Increase	(\$2.80)	\$18.73	\$15.93
Percentage Increase	-6.7%	47.6%	19.7%
<u>North County:</u>			
Existing	\$54.70	\$51.35	\$106.05
Proposed	\$38.74	\$58.11	\$96.85
Absolute Increase	(\$15.96)	\$6.76	(\$9.20)
Percentage Increase	-29.2%	13.2%	-8.7%
<u>N. Hutchinson Island:</u>			
Existing	\$36.72	\$42.73	\$79.45
Proposed	\$38.74	\$58.11	\$96.85
Absolute Increase	\$2.02	\$15.38	\$17.40
Percentage Increase	5.5%	36.0%	21.9%



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COMPARISON OF MULTI-FAMILY TYPICAL MONTHLY BILLS

Service Area	Monthly Bill @ 2,500 Gallons		
	Water	Wastewater	Combined
<u>North County:</u>			
Existing	\$35.49	\$33.39	\$68.88
Proposed	\$24.66	\$38.35	\$63.01
Absolute Increase	(\$10.83)	\$4.96	(\$5.87)
Percentage Increase	-30.5%	14.8%	-8.5%
<u>N. Hutchinson Island:</u>			
Existing	\$21.82	\$26.79	\$48.61
Proposed	\$24.66	\$38.35	\$63.01
Absolute Increase	\$2.84	\$11.56	\$14.40
Percentage Increase	13.0%	43.1%	29.6%



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Thank you.

Questions?